



House Bill No. 5513

Public Act No. 08-96

**AN ACT CONCERNING THE RIGHT OF RECOVERY BY THE
CONNECTICUT INSURANCE GUARANTY ASSOCIATION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (4) of section 38a-844 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) [The] (A) Except as provided in subparagraph (B) of this subdivision, the association shall have the right to recover from the following persons the amount of any covered claim paid on behalf of such person pursuant to sections 38a-836 to 38a-853, inclusive: [(A)] (i) Any person who is an affiliate of the insolvent insurer and whose liability obligations to other persons are satisfied in whole or in part by payments made under this chapter; and [(B)] (ii) any insured whose net worth on December thirty-first of the year next preceding the date the insurer becomes an insolvent insurer exceeds fifty million dollars and whose liability obligations to other persons are satisfied in whole or in part by payments made under said sections. For purposes of this subdivision, "insured" does not include a municipality, as defined in section 7-148 of the 2008 supplement to the general statutes, or the Second Injury Fund, established in section 31-354.

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(B) The association shall have no right to recover pursuant to subparagraph (A) of this subdivision from any nonprofit corporation organized to deliver health services and social services to meet the needs of the elderly, that is incorporated in this state and qualified as a Section 501(c)(3) organization under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, for any amount of covered claims paid on behalf of such corporation on or after December 1, 2001, provided the insolvent insurer was declared insolvent prior to the effective date of this section. Any amounts recovered by the association prior to the effective date of this section from any such nonprofit corporation or affiliate of such nonprofit corporation shall not be required to be reimbursed to such nonprofit corporation or affiliate of such nonprofit corporation.

Approved May 27, 2008